(3) Excise, Trade and Customs.

26. Imposition of export duty on tea, rubber, timber and fuel.

Mr. C. Sankara Menon, B. A. & B. L. (Member, Quilon taluk) said that the policy of effecting retrenchments recently adopted by the Government would not carry them far in meeting the financial difficulties. There could be only two plausible methods for increasing the revenue, *viz.*, taxing the land or taxing the income. The assigning away of all the lands at the disposal of the Government to foreign capitalists would fetch some money in the present, but would be ruinous in the long run to the interests of the State and of its people, in view to the steady increase in the population of the country and the increasing scarcity of arable area, and the policy should not therefore be persisted in. With regard to taxing land, the settlement operations having been brought to a close only recently, it would be hard for the ryots to pay any additional tax on land. The direct taxation of the income was also not feasible now, as there were various difficulties in ascertaining the income and it would not be possible to get at those people who paid no revenue to the State. The least objectionable method of raising the revenue would be to tax the producer on the fruits and products of the land exported out of the country and to realise the revenue through the customs houses. It was therefore desirable to revise the list of dutiable articles exported out of the country. The most important of the articles exported from Travancore, such as tea, rubber, etc., had no duty imposed on them now. The infant stage of those industries in Travancore had already passed and every encouragement was given to their development during that stage by the Government. Tea was, next to the products of the cocoanut tree put together, the most important article of export, and in the next three or four years rubber was bound to beat out even the products of the cocoanut tree.

He next compared the revenue to the Government and the net receipts to the cultivators from an acre of cocoanut garden to those from an acre of tea or rubber. He pointed out that the assessment on the former went up to Rs. 18, including the export duty, and that the net receipts of the ryot, allowing for the cost of upkeep, came to Rs. 100 per annum. In the case of tea and rubber, the assessment was only Re. 1 and the net receipts, excluding the cost of upkeep, etc., came to Rs. 200 in the case of tea and Rs. 300 in the case of rubber. Further, the capital, labour and everything in respect of the latter industries were foreign and neither the State nor the people were benefited by them. He recognised the educative value and influence due to the introduction of those industries. The European talents, enterprise and capital had also done the work of pioneers in the country. The Government were giving them special officers, special roads, special medical relief, etc., from the general revenues of the State. He was therefore of opinion that those industries did not *now* deserve any differential treatment from that accorded to cocoanut cultivation.

There was a further concession in respect of the lands granted for the cultivation of tea, rubber, etc. A *rajabhogam* of $\frac{1}{8}$ assessment on garden lands was levied when jenmom lands were alienated. No such *rajabhogam* seemed to have been levied in respect of the lands granted to the planters. In the above circumstances, the Member said that the levy of an export duty on those articles would not be thought hard. Recently a similar duty was imposed on them by the Government of Ceylon and the Planting Associations there passed a resolution approving the imposition of the duty. He hoped that the Planters in Travancore would not be less generous to object to such a proposal here. He was therefore confident that he could count upon their support and also of the sense of justice and fairness of the Englishman. He had already taken the opinions of the several Members of the Assembly and they were all agreeable to his proposal.

He next dealt with the duty on timber and fuel. The duty on timber was abolished in Kumbham 1087. The plea adduced in support of its abolition was that there was demand for timber all over the world and that the steady growth of the sale of timber was due to the abolition of the duty. That plea was not however supported by facts. The value of the timber exported during 1087 was Rs. 5,27,000.

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including the export duty of Rs. 16,000; while the same in 1089, when there were no adverse circumstances such as the war and when there was no export duty, came to only Rs. 3,51,000. Thus, by the abolition of duty, there was no growth of sale. There was a regular increase in the export of timber since 1081, but since 1087 the figure had gone down.

A large quantity of fuel was exported every year from Travancore to the neighbouring British districts. All trees less than eight inches in girth were cut down for fuel and the possibility of Government getting a share if the trees were allowed to grow was reduced by this process. It was therefore reasonable to claim a share as export duty on fuel. The argument adduced in the case of timber that the growth of sale would be enhanced by the abolition of duty could not be maintained as the growth of sale of fuel benefited private persons only. He therefore requested that, in the interests of the State revenue, an export duty might be re-imposed on timber and fuel.

Dewan's reply.—Noted.

The Assembly adjourned at 5-20 P. M.

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